

The Director of Central Intelligence

Washington, D. C. 20505

Encl.	Registry
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*memo
Chono*

29 June 1981

Dear Walter,

You were most effective and impressive on MEET THE PRESS yesterday.

I was struck by the Round Table study indicating the incremental cost of regulation as amounting to 16 percent of corporate profits. I would like to see that study.

I like the way you broaden the sources of inflation to include regulation as well as deficits and monetary expansion. Another one is having too large a percentage of the population engage in overhead and other nonproductive activity. Spending reductions, in addition to facilitating lower taxes and reduced money supply, are helpful in squeezing people from overhead into production. Peter Grace's voluminous studies, which I am sure you have seen, have compared industrial nations in terms of the percentage of production spent on government services. The New York Times, in its front-page story on Saturday, put this comparison more effectively by expressing the number of government employees per 1,000 of the population. The Japanese and German ratios are startlingly lower than ours.

If you have it handy, I would appreciate a copy of the transcript of your interview, as well as the Business Council's comments on regulation.

Yours,

Bill

William J. Casey

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